

Dear fellow tenants,

1. Subject: Solar Energy power project for Casa de Balboa building:

**Background**

As building manager about a year ago I was asked to provide information on a proposed solar power system for our building owned by the City of San Diego in Balboa Park. The main impetus for this solar system would be to cut our peak demand charge costs that skyrocketed after the 2001 deregulation of the California power industry. This July Reuben Fleet Science Center began operating its own demonstration solar project in Balboa Park. (However, all electricity produced by this system goes back into the SDG&E's grid, and none of it used to defray electrical power costs for the space theater building, according to Craig Blow, the Fleet's deputy director.)

I contacted solar power contractors who are more than willing to come to the building, measure our roof, examine roof plans by a structural engineer (re. capacity of the roof to carry the weight), the Kw/hr dc capacity of the solar panels, and give us a full proposal. Two of these companies have already given me written proposals and a third will forthcoming, giving the EBTC three to choose from if the committee decides to seek three full proposals.

**Synopsis**

Each proposal is to install a 350 to 358 Kw/dc system using a PPA or power purchasing agreement. The EBTC does not have to invest anything in the system, and maintenance is the owner's responsibility. At the lease term end (20 to 24 years) the system should still be operating at 75% capacity. The variables would be the annual escalation charge 2-4% based on the particular proposal, and initial Kw/hr rate set at what the SDG&E present rate is \$.175 or just under. About 24 to 35% of the building's electricity based on present use would be provided by the sun, the ultimate green power source. Cost of the installation varies, but the cost would be 2 to 3.5 million dollars.

**The State Rebate**

California is offering rebates for solar power, but the package is constantly shrinking based on how many new projects are signed up. Currently the rebate is \$.27Kw/hr. Each contractor is willing to pay for the rebate (figured on 1% of annual Kw/hr solar output or about \$7,000 maximum). Delay will deplete the state rebate money pot further. The pot will decrease to the point that the PPA contractors will withdraw their proposals.

The proposal put before the Committee is that the EBTC buy its own rebate and that will increase our negotiating flexibility. Otherwise, we would be forced to choose a contractor at this early juncture before receiving three or more bids. The sign up cost would be out of the Committee's surplus that our subtenant, Café in the Park, provided over the summer in rent, (about \$10,000). The rebate is good for 12 months with a 6 month extension. By that time we should have reviewed all bids, as well as any city required reviews. Marc Puckett who is a solar consultant working with the contractors told me he will help me fill out the rebate paperwork at no cost to the committee.

**City Review of the Proposals**

After the latest EBTC meeting, I called Bruce Martinez the new area manager for the Balboa Park. He told me I need to meet with Charles Daniels the city's architect and engineer for the park. I should submit this letter to the city planning department for review and probably, at some point, make a presentation to the Balboa Park Committee at a public hearing. He told me the fact the Reuben Fleet was the trailblazer would speed the project along. Just

getting the city permission to put solar on the roof could take several months, making purchase of state rebate by the EBTC even more critical, since no one knows how long the city review process will take.

Please consider the alternatives for the next 25 years, including SDG&E's raised KW/hr rate, demand charges, transportation the and transmission charges, and I think you will agree this is small price to pay to take the next step forward.

Sincerely,

John Rotsart, Casa de Balboa Building Manager and  
Executive Director San Diego Model Railroad Museum